# Community Insights SPRING 2020

A NEWSLETTER FROM THE COMMON-INTERST COMMUNITIES AND CONDOMINIUM HOTELS PROGRAM DEPARTMENT OF BUSINESS & INDUSTRY REAL ESTATE DIVISION













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# Ombudsman's Huddle

CICOmbudsman@red.nv.gov or (702) 486-4480.

As we all adjust to the changes that have occurred to nearly every aspect of every day life, clarification regarding standard business practices, especially within associations which are built on the premise of community and gathering, has become necessary.

It seems difficult to imagine how associations can remain compliant with chapter 116 while simultaneously practicing social distancing, but it is important to remember, that pursuant to NAC 116.405(8)(a), the board is expected to comply with all applicable federal, state and local laws and regulations.

No executive board will be disciplined by the Division for making decisions that are compliant with any new federal and state guidelines in a manner that best suits the needs and capabilities of their individual associations.

As the Ombudsman, I am asking that each association, with its unique needs and capabilities, remains transparent with unit owners regarding any changes to standard business practice, and that adequate documentation of any temporary changes to meetings, hearings, elections, etc. is kept and maintained as an association record. The Division will rely on these records and other documentation maintained by the association when addressing questions or complaints about these altered practices in the future.

The general welfare of Nevada residents is of the utmost importance to our office and we hope everyone is taking the necessary precautions to stay safe, mindful of one another, and healthy during this tumultuous time.

- OMBUDSMAN CHARVEZ FOGER

# From the Ombudsman's Desk

### **STAY ON TOWING**



Due to the COVID-19 pandemic, some units may have more residents than usual on their premises as families hunker down together and don't leave for work, school, social activities, etc. Associations must be extra diligent during this time, especially when determining whether to take enforcement action regarding certain violations.

When it comes to violations involving vehicles and parking, the association should consider whether the violation is stemming from a household's attempt to comply with new and temporary social distancing guidelines.

I am asking associations to limit towing requests to those that are essential, i.e. towing a vehicle only when it is blocking a fire lane, fire hydrant or blocking a space designated for the handicapped.

We are all in this together, and now is the time for compassion towards our neighbors.

### **REQUEST FOR MORATORIUM**

March 18, 2020

To: All Homeowner Association Board of Directors:

As we all work towards limiting the spread of COVID-19 virus and closely following the guidance of our National and Local leaders, we must not forget the day-to-day living taking place in Nevada. The economic impact to our fellow Nevadans will be significant. Currently, there are thousands of residents who are being impacted by either layoffs, reduced hours or downsizing in Clark County, Washoe County and surrounding areas. This will invariably affect people's ability to meet their obligations including paying assessments and fines.

As the Ombudsman for Owners in Common-Interest Communities and Condominium Hotels, I am requesting that association boards implement a moratorium for liens and nonjudicial foreclosures. While these processes are necessary in the operation of an association, it is times like these where boards can extend their compassion and understanding to their fellow neighbor.

My office will be actively engaged in providing updates and guidance to all homeowners and associations during this difficult period. My office will also be closely reviewing cases of abuse and if required, I will take all appropriate action within my authority to address the board's actions. It is my belief that as Nevadans we will work together and overcome this crisis together.

Thank you,

Charvez Foger Ombudsman

## What Not to Flush

### HOW YOU CAN PROTECT YOUR PIPES

### Dispose of these items in the trash, not the toilet!

- DISINFECTING WIPES
- BABY WIPES
- MOP REFILLS
- PAPER TOWELS
- TOWELETTES
- DIAPERS (CLOTH, DISPOABLE, OR "FLUSHABLE")
- DUSTING OR CLEANING
  WIPES
- FEMININE HYGIENE
  PRODUCTS
- FACIAL TISSUES
- MOIST WIPES
- TOILET BOWL PADS
- WASH CLOTHS, TOWELS, RAGS
- UNDERWEAR
- NURSING PADS
- Q-TIPS



hen the recent worldwide respiratory pandemic officially reached United States' soil, Nevada businesses were quickly told to close their doors and residents were told to stay home from school, work and avoid public gatherings all together. Some residents adhered to the call to self-isolate, but many others chose to risk exposure by wading through large crowds in order to purchase toilet paper, paper towels, wipes and other goods in mass quantity.

With bulk buying of paper and sanitary goods becoming the national theme of the quarantine, it seems safe to say that pipes within residential communities saw a sudden spike in activity during this time.

In all planned communities, pipeline blockages occurring anywhere from below sinks and toilets, to the lines in front yards or streets, can lead to water backflow and a big, smelly, expensive mess. In communities containing units with shared horizontal and/or vertical walls, such pipeline clogs can also cause additional steps to be taken. In these communities, the association is expected to maintain property insurance on the common elements, as well as on the units themselves (NRS 116.3113(2)).

Coverage must include restoring the unit to the condition it was sold in by the declarant, excluding any improvements or betterments which may have been installed by owners since. Personal property of the owner is typically excluded. If at the time of a loss under the association's policy the unit owner has personal property insurance covering the same risk, the association's policy provides primary insurance.

Pursuant to NRS 116.31135(1), with minimal exception, in a condominium or townhouse community "any portion of the common-interest community for which insurance is required under NRS 116.3113 which is damaged or destroyed must be repaired or replaced promptly by the association." This is true no matter who is at fault. In units with shared pipes, this becomes especially important, as unit owners are at the mercy of their neighbors' decisions regarding what to flush down the toilet or pour down the drain. No matter the cause, they should be able to rely on the association to step in immediately to "fix" the situation.

After inspection, remediation, etc., if damage is proven to have been caused by the willful misconduct or gross negligence of a unit's owner, tenant or invitee, the association may assess that expense exclusively against that unit, even if the association maintains insurance with respect to that damage (NRS 116.3115(6)).

Overall, there are thousands of miles of wastewater pipelines tasked with colleting sewage throughout Clark County. According to the Clark County Water Reclamation District, "many personal and household cleaning products marketed as 'flushable' or 'disposable' should not be flushed down the toilet. Why? These products do not degrade like toilet paper, and they wind up clogging pipes, tangling pumps and causing messy sewer backups into streets, businesses and homes. No matter what the label says, the only things you should flush down the toilet are the three P's: Pee, Poo and toilet Paper!"

In addition to just being conscientious regarding what goes down the toilet, it is equally important to remember that fat, oil and grease naturally clump together and harden to form serious pipeline blockages when poured down the drain. During this quarantine, your association and pipes will thank you if you remain aware of how certain materials should be properly disposed of.

# Continuing Education - Temporary Guidance



or health and safety reasons and in accordance with CDC guidelines pertaining to COVID-19, "classroom instruction" as stated in NAC 116A.230(3) will be afforded a new, expansive definition. This is a temporary definition change lasting only as long as social distancing measures are advised to be in **place.** This allowance is intended to ensure that community managers and reserve study specialists have access to sufficient education throughout their renewal period, without placing any undue burdens upon course sponsors.

The new, temporarily expansive definition is as follows: *Classroom instruction shall include methods of course delivery* 

### where <u>instructors and students</u> <u>can interact in real-time</u>, either at the same physical location <u>or through the use of digital</u> <u>technology</u>.

This guidance applies only to courses already approved by the Division to be taught in a classroom setting. For sponsors considering expanding their delivery method based on the new, temporary definition above, please consider the following:

Sponsors must use livestreaming services which allow the provider to be connected to all students simultaneously through real-time sight and sound.

Sponsors must be able to verify attendance.

Students must be able to ask

questions, and instructors must be able to respond in real-time for all in attendance to hear and/or see.

Only instructors already approved to teach the course may do so utilizing this new format.

Class sizes may need to be limited depending on the capabilities of the streaming platform used.

Any sponsor seeking to livestream an approved CE course during this time must complete form <u>730</u> and email it to <u>CAMEducation@red.nv.gov</u>.

During this time, those with certificates are still required to renew by submitting a completed renewal form and corresponding fees to the Division on or before their regular renewal date.

# Security Tips for Common Virtual Collaboration Tools



# New Hire to the Ombudsman's Office



Please welcome our new Program Training Officer, Gary B. Little. Gary will be

establishing and facilitating the CIC training program for Northern Nevada.

Gary completed his Associate of Business Degree with honors at Western Nevada College in 2017 and his Bachelor of

Science Degree in Business Administration and Management at the University of Nevada, Reno in 2019.

Prior to coming on board with the Nevada Real Estate Division, Gary served 11 years as a Security Forces member of the US Air Force. As part of his duties, he was a certified instructor conducting initial and recurring security and law enforcement training for over 200 Security Forces members. With Gary's experience, education and training, we are confident that he will be a crucial asset for common-interest communities throughout Northern Nevada.

To schedule a training with Gary, please complete and submit the request form found on our <u>Training Page</u>.



In Memory of CICCH Commissioner Doris Woods

The Ombudsman's Office is very sad to announce that a homeowner member of the Commission for Common-Interest Communities and Condominium Hotels passed away unexpectedly on December 1, 2019. Commissioner Doris Barnes Woods passed away at the age of 77.

Born in Washington, D.C., Ms. Woods went on to earn both a Bachelor's and Master's degree in Psychology from Howard University. After moving to Las Vegas in 2002, she became an active volunteer for KNPR, Nevada Public Radio, as well as a board director for two different homeowner associations.

Throughout her tenure, Ms. Woods served on the U.S. Equal Employment Opportunity Commission and worked as a private Mediator, all equipping her with the tools necessary to become a patient and understanding member of the Commission.

Doris Woods served on the CICCH Commission from 2016 to 2019. She will be remembered as an intelligent and thoughtful voice for those unit owners who make the selfless choice to volunteer and serve their respective common-interest communities.

# **Crossword Puzzle**



#### Across

**3.** A community manager does not have the authority to sign checks on behalf of the association from which account?

4. If the association is not well managed, or fails to provide adequate funding for the reserves, you may be required to pay a \_\_\_\_\_\_ assessment.

6. Pursuant to new provision NRS 116.318 "\_\_\_\_\_" means any domesticated bird, cat, dog or aquatic animal kept within an aquarium or other animal as agreed upon by the association and the unit's owner.

#### Down

1. A \_\_\_\_\_ package provided to a unit's owner or his or her authorized agent remains effective for 90 calendar days.

 "Management of a common-interest community" means providing physical, administrative or financial maintenance and management for a \_\_\_\_\_, commission or other valuable consideration.

5. If, at the closing of the prescribed period for nominations onto the executive board, the number of candidates is less than the number of vacancies, the executive board may \_\_\_\_\_ to fill remaining vacancies.



# Questions From Our Constituents

## Q1.

I am required to perform on-call, 24-hour emergency phone services for my employer, and at times need to bring the company car home overnight. My HOA prohibits commercial vehicles and sent me a violation notice with a picture of my work vehicle parked in my driveway. Do I have any protections?

A1. Pursuant to NRS 116.350(3), the association cannot prohibit an owner or tenant from parking a utility service vehicle (i.e. one used in the furtherance of <u>repairing</u>, <u>maintaining or operating any structure or</u> <u>other physical facility</u> necessary for the delivery of <u>public</u> utility services, including, without limitation, the furnishing of electricity, gas, water, sanitary sewer, <u>telephone</u>, cable or community antenna service) that has a gross vehicle weight rating of 20,000 pounds or less on the driveway of his or her unit, if he or she is bringing the vehicle home <u>pursuant to his or her employment</u> for the purpose of responding to <u>emergency</u> requests for public utility services. An association may require that a person parking such a vehicle provide <u>written confirmation from his or her employer</u>.

Q2.

I was just elected onto my HOA board along with two other board members. After the election, at our subsequent "organizational meeting," I proposed that the current President no longer serve in that capacity. I also believed that the President in question should not be allowed to vote on the matter since it directly pertains to him and that would be a conflict of interest. Is that correct?

A2. There are only 2 circumstances in NRS 116 in which a board member must abstain from voting: NRS 116.31084(1), "a member of an executive board who stands to gain any personal *profit or compensation* of any kind from a matter before the executive board shall abstain from voting on any such matter;" and NRS 116.31031(9), "a member of the executive board shall not participate in any hearing or cast any vote relating to a fine imposed if the member has *not paid all assessments* which are due to the association by the member." When the board is reorganizing its officer positions, board members are not required to abstain by law.



## Q3.

Q3. Is the petition that is required to be passed around the community in order to initiate a board member removal election considered confidential after it is mailed to the association?

A3. While petitions typically contain the names, addresses and signatures of unit owners, they are a document initiated by unit owners, intended to be passed around the community. As such, any unit owner could have access to the information contained within the petition at any time. By their very nature, they are not considered confidential. Furthermore, similar to the manner in which NAC 116.0433 defines "financial records" as those records necessary to support the financial statements of an association, petitions become a record of the association upon completion and submission because they "support" the subsequent action that must be taken, in this case, the removal election if sufficient signatures are obtained.

## Q4.

I am the President of a self-managed sub-association. I was recently informed by the master association that I am not eligible to run for the master board because I currently perform the duties of a community manager for that sub. Can they deny my nomination form in this way?

A4. No. NRS 116.31034(10)(b) states that, "a person may not be a candidate for or member of the executive board of a master association if the person *performs the duties of a community manager* for any association that is subject to the governing documents of that master association." Absent a community manager however, a director of a self-managed board would be required to perform the duties stated in NRS 116 as a volunteer. The specific duty that a community manager performs which would make them ineligible to serve on a board is entering into a management agreement with that association for compensation (NRS 116A.620). The Division believes that anyone *paid* to perform the duties of community manager for the association cannot serve on the board as this would amount to the potential conflict of interest that this provision of law seeks to avoid.

## Q5.

## Why has my HOA shut down the community pool during the pandemic when the CDC has stated that the virus cannot spread through water?

A5. While the CDC has stated that COVID-19 cannot be spread through pools and spas if they are properly maintained, many common-interest communities are choosing to close any areas where people tend to congregate, i.e. clubhouses, gyms, conference rooms, parks, etc., in an abundance of caution when attempting to comply with the CDC's social distancing strategies.

## OUR OFFICES WILL BE CLOSED UNTIL FURTHER NOTICE:

To receive updates as to when the office will reopen, as well as other pertinent, ongoing information, please sign up to receive Ombudsman emails by subscribing from our <u>Direct Link</u>.

## **Ombudsman Information**

January through March 2020

Total Associations Registered in the State of Nevada	3,402
Complaints Received	103
Alternative Dispute Resolution (ADR) Filings	78
Associations Reviewed for Possible Audit	35
Records Requests Processed	7
Training Sessions Conducted	14
Classroom Attendees	326

## **UPCOMING COMMISSION MEETINGS**

- MAY 19-21 (Pending)
- AUGUST 4-6
- OCTOBER 27-29

## UPCOMING HOLIDAYS

MAY 25 / MEMORIAL DAY

### STATE OF NEVADA DEPARTMENT OF BUSINESS & INDUSTRY

Terry Reynolds Director

### **REAL ESTATE DIVISION**

Sharath Chandra ADMINISTRATOR

Perry Faigin DEPUTY ADMINISTRATOR

#### COMMON-INTEREST COMMUNITIES & CONDOMINIUM HOTELS Office of the Ombudsman

Charvez Foger OMBUDSMAN

Monique Williamson EDUCATION & INFORMATION OFFICER EDITOR

### COMMISSION FOR COMMON-INTEREST COMMUNITIES & CONDOMINIUM HOTELS

Michael Burke, Esq., Chairman ATTORNEY MEMBER

James Rizzi, Vice-Chairman DEVELOPER MEMBER

Richard Layton, Secretary CERTIFIED PUBLIC ACCOUNTANT MEMBER

Charles Niggemeyer, Commissioner HOMEOWNER MEMBER

> Vacant, Commissioner HOMEOWNER MEMBER

Vacant, Commissioner HOMEOWNER MEMBER

Tonya Gale, Commissioner COMMUNITY MANAGER MEMBER

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